Government of Saskatchewan

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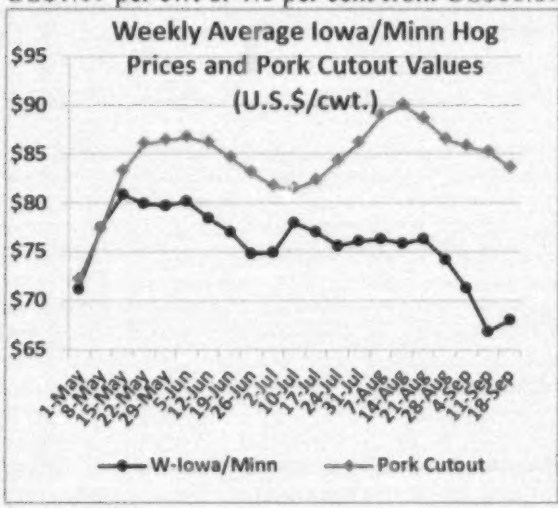
Weekly Hog Report

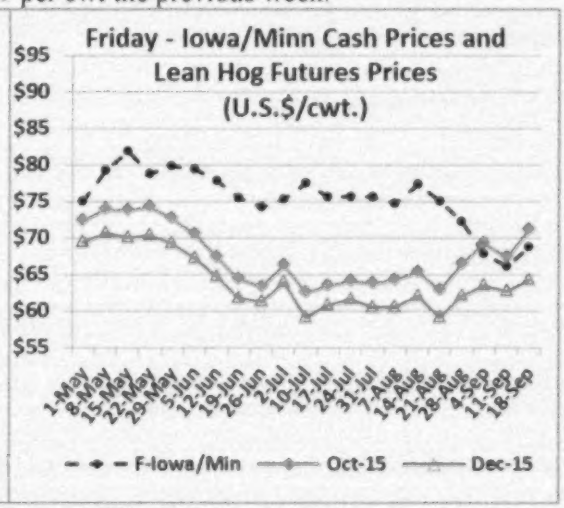
September 21, 2015

Cash Slaughter Weight Hog Prices

United States daily average cash hog prices (Iowa/Minn) moved higher early in the week to help prices move higher, week-over-week. Hog prices on Friday September 18 averaged US$68.75 per cwt, up US$2.62 per cwt or 4.0 per cent from US$66.13 per cwt the previous Friday. The negotiated base price last week averaged US$67.98 per cwt, up US$1.09 per cwt or 1.6 per cent from US$66.89 per cwt the previous week.



Source: LMIC



Source: LMIC, CME

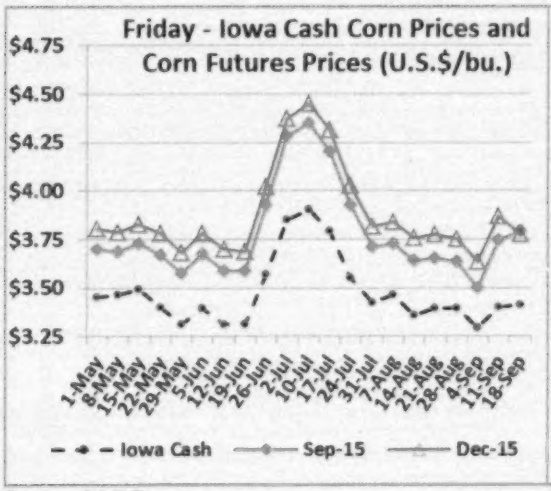
In Canada, the Signature#3 (Maple Leaf) Index 100 daily price for Friday Sept. 18, 2015 was $165.49 per ckg, up $3.53 per ckg or 2.2 per cent from $161.96 per ckg the previous Friday. Signature#3 weekly prices (Friday to Thursday) averaged $163.41 per ckg, up $0.86 per ckg or 0.5 per cent from the previous weeks' average price of $162.55 per ckg. The Canadian dollar edged 0.21 cents higher last week to close Friday at 75.45 cents; up from the previous Friday's close of 75.45 cents.

Futures Markets

Lean hog futures daily prices were mixed over the week but mostly higher to end the week higher, week-over-week. The nearby October contract increased US$3.725 per cwt to settle Friday at US$71.050 per cwt, while the December contract increased US$1.500 per cwt to settle Friday at US$64.150 per cwt. Current cash hog prices are below the October lean hog contract, but over $4 per cwt higher than the December futures contract. While pork cutout values were lower over the week the higher pork cutout prices continue to provide good packer margins and support lean hog future prices.

Cash Feeder Hog Prices

North American (Iowa) iso-wean (10-12lb) cash hog prices and feeder (40lb) cash hog prices were mixed last week. Weighted average cash prices for iso-weans (12lb) last week were US$31.69 per head, up US$3.64 per head from US$28.05 per head the previous week. Feeders (40lb) were US$41.05 per head, down $0.86 per head from US$41.91 per head the previous week.



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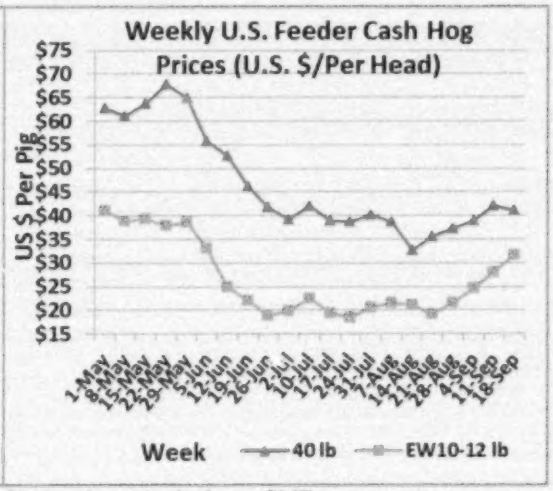

Source: Iowa Agriculture, CME

Iowa cash corn prices were steady week-over-week increasing only one cent to settle on Friday at US$3.41 per bushel. Corn futures prices were higher Monday but then trended lower for the rest of the week to end lower, week-over-week. The September corn futures contract increased almost five cents Monday to expire at US$3.79 per bushel. The December corn futures contract declined almost ten cents over the week to settle Friday at $3.77¼ per bushel.

Hogs Slaughtered

U.S. hogs slaughtered under federal inspection for the week ending September 19 were estimated at 2.278 million head, up 11.7 per cent from 2.040 million head the previous shorter Labor Day week, and up 11.7 per cent from 2.040 million head the same week a year ago. U.S. hogs slaughtered over the last four weeks ending September 19 averaged 2.181 million head per week, up 11.0 per cent from 1.966 million head over the same period a year ago.

In Canada, federal and provincial hog slaughter numbers for the shorter Labor Day week ending September 12, 2015 were estimated at 341,243 head, down 11.0 per cent from 383,597 head the previous week, and down 18.2 per cent from 416,910 head the same week a year ago. Canadian hogs slaughtered over the last four weeks ending Sept. 12, 2015, were estimated to average 389,799 head, up slightly from 389,090 head over the same period a year ago. Year-over-year, Canadian hogs slaughtered are up 2.7 per cent, at 14.697 million head.

Meat Production

U.S. pork production for the week ending September 19, 2015 was estimated at 475.0 million lb., up 11.6 per cent from 425.8 million lb. the previous shorter Labor Day week, and up 9.8 per cent from 432.7 million lb. the same week a year ago. Pork production over the last four weeks ending September 19 was estimated to average 454.7 million lb., up 9.3 per cent from 416.0 million lb. over the same four week period a year ago.

U.S. beef production for the week ending September 19 was estimated at 482.8 million lb., up 15.3 per cent from 418.9 million lb. the previous shorter Labor Day week, and up 3.1 per cent from 468.3 million lb. the same week a year ago.

Combined production of U.S. beef, pork, chicken and turkey over the four weeks ending Sept. 12, 2015, was estimated to average 1.996 billion lb., up 3.0 per cent from 1.938 billion lb. over the same four weeks a year ago. Year-to-date, total U.S. meat production for 2015 is estimated to be up 3.7 per cent compared to the same period in 2014.

United States Weekly Meat Production

(Sept. 12) Four Week Average - Million Lb.			Percent Change	
	2014	2015	4 Week	YTD 2015
Pork	414.0	452.5	9.3%	7.9%
Beef	468.3	452.0	-3.5%	-4.0%
Chicken	927.6	977.9	5.4%	6.7%
Turkey	128.3	113.6	-11.5%	-3.4%
Total	**1,938.2**	**1,996.0**	**2.98%**	**3.69%**

Source: LMIC

Cutout Values

U.S. pork cutout values for the week ending September 19, 2015 averaged US$83.53 per cwt, down US$1.65 per cwt or 1.9 per cent from US$85.18 per cwt the previous week, and down 25.1 per cent from US$111.49 per cwt from a year ago. Seasonally, pork cutout values typically trend lower into the fourth quarter with larger pork supplies.

Choice beef cutout prices (600-900 lb.) averaged US$231.77 per cwt last week, down US$6.67 per cwt or 2.8 per cent from US$238.44 per cwt the previous week, and down 5.9 per cent from US$246.23 per cwt the same week a year ago.

Average chicken cutout values (Northeast breast) for the week ending September 19, 2015 averaged US$130.28 per cwt, down US$5.64 per cwt or 4.1 per cent from US$135.92 per cwt the previous week, and down 30.1 per cent from US$186.36 per cwt the same week a year ago.

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